

S. List Policy

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C O N F I D E N T I A L22nd January, 1960COCOM Document No. 3851COORDINATING COMMITTEERECORD OF DISCUSSIONONTHE STANDARDIZATION OF REPORTING PROCEDURESFOR ADMINISTRATIVE EXCEPTIONS14th January, 1960

Present : Belgium(Luxemburg), France, Germany, Netherlands, United Kingdom,
United States.

References: COCOM 1766, 3700.10.

1. The UNITED STATES member of the Drafting Group appointed by the Committee on December 18, 1959 (COCOM 3700.10) introduced the following report :

- "(a) The Drafting Group under the chairmanship of Mr. Campbell considered the United Kingdom proposal to standardize the statistical reporting of administrative exceptions to List I on January 12th.
- (b) It found that following the 1959 List Review, List I required the reporting of administrative exceptions in a variety of ways.
- (c) In order to facilitate the task of administration and simplify the procedures, the Drafting Group agreed to recommend the following changes in the reporting requirements :
 - (i) Those items for which simple monthly statistics are required, as defined in COCOM Document 1766, (i.e. Items 1305, 1501, 1510, 1517, 1635, 1648, 1658 and 1670) should use this formula :

'The licensing of such exports should be reported to the Committee in the monthly statistics.'
 - (ii) Those items for which details and justification are required or on which a report is immediately or promptly required (i.e. Items 1072, 1485, 1520, 1523, 1525 and 1526) should use this formula :

'The licensing of such exports should be reported to the Committee within 15 days with full technical details and justification.'

2. The FRENCH Delegate pointed out that the formulae suggested by the Drafting Group referred to the reporting of licensing, whereas in fact, according to the present definitions, the majority of items for which administrative exceptions could be made were subject to statistical reporting after shipment. Of 14 items, 8 were to be reported after shipment or export (Items 1485, 1501, 1517, 1520, 1635, 1648, 1658, 1670), 3 after the issue of the licence (Items 1523, 1525, 1526), while the situation of the remaining 3 (Items 1072, 1305, 1510) was not clearly defined. Consequently, the French authorities had certainly always acted so far according to the literal meaning of the Notes and the Delegate very much doubted that he would be authorised to accept a reference to licences issued. He went on to say that in his understanding, the task of the Drafting Group had been mainly to compare the English and French texts of the International Lists in order to resolve any difficulties of translation ; the Drafting Group had not been specially required to codify the reporting procedures themselves.

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3. The UNITED STATES Delegate stated that because of the confusion that existed it would be desirable to go back to first principles and for the Committee to base itself on the provisions of paragraph 26 of COCOM 1766.
4. The UNITED KINGDOM Delegate said that he thought his authorities would be able to accept the recommendations of the Drafting Group. He added that the reporting of licences granted under the various administrative exceptions should normally be made in the monthly statistical returns but it was also important that, if the Committee agreed on quicker reporting for certain items, the matter should be examined during the 1960 List Review in order to see whether the volume or other factors warranted a change in the procedure.
5. The CHAIRMAN stated that the fundamental rules for statistical reporting were laid down in COCOM 1766. As for the special reporting system that had been subsequently agreed for administrative exceptions in respect of a few particular items, the word "shipments" and other terms other than "licensing" could not be changed unless the Committee unanimously agreed that the intent of these agreements was to base all reporting uniformly on licences issued and not on actual shipments. He urged that the suggestions of the Drafting Group should be seriously taken into account in order to ensure standardization of the reporting system and uniform interpretation by all Member Countries.
6. The UNITED STATES Delegate expressed his thanks to the Drafting Group for the suggestions they had made. In the view of his authorities, reporting of administrative exceptions was more useful if it was done on the basis of licences issued. They considered that this approach had been adopted in COCOM 1766, which was the result of a thorough review of the Committee's statistical problems and had not been superseded. They considered that paragraph 26 of COCOM 1766, which referred to the reporting of licensing, was the valid ruling on this point, regardless of the wording that happened to be used in the individual definitions, unless it could be demonstrated that it was intended to distinguish between licensing and shipment when the special agreements were reached. In his own opinion, the words shipment or exports or transactions were loosely used in these cases, and export licensing was always intended. With respect to the United Kingdom Delegate's suggestion that these reporting provisions should be examined during the 1960 List Review, the United States Delegate recognised that individual reporting procedures could be examined if any Delegation proposed that this should be done.
7. The FRENCH Delegate regretted that he could not subscribe to the argument put forward by the United States Delegate in order to prove that even when the word "shipment" appeared in the present definitions it should be understood to mean "licence". He considered that in French as well as in English these words should be taken at their literal meaning. He took note of the Chairman's remarks concerning the special reporting system for certain items subject to administrative exceptions. He added that these particular exclusions had been accepted because the Committee realised they affected equipment that was not of a highly strategic nature. The primary concern was with the cumulative effect of actual exports, not with orders given to manufacturers.
8. The CHAIRMAN summed up the discussion by saying that there were two points to resolve for the meeting on January 21st. The first was whether the words "immediately" and "promptly" in the International Lists could be standardized to "15 days". The second was whether reporting could be standardized on the basis of licences issued, according to the general rule of COCOM 1766.
9. The FRENCH Delegate pointed out that there was a third point to be considered: it would also be possible to standardize the reporting of licensing and shipments to the reporting of shipments.
10. The COMMITTEE agreed to continue the discussion on January 21st.

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